GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:392
ANSWERED ON:19.07.2016
Closure of Cachar Paper Mill
Ajmal Maulana Badruddin

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government is aware that Cachar Paper Mill, a unit of Hindustan Paper Corporation Limited at Panchagram in Hailakandi District has been facing financial crisis;

(b) if so, the details thereof;

(c) whether this paper mill has been shutting down every now and then for last few years due to shortage of raw material thereby incurring huge losses;

(d) if so, whether the Government proposes to take steps to save it from closure;

(e) if so, the details thereof; and

(f) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (SHRI BABUL SUPRIYO)

(a) & (b): Yes, Cachar Paper Mill (CPM), a unit of Hindustan Paper Corporation (HPC) is facing financial crisis on account of non-availability of coal owing to blanket ban imposed by National Green Tribunal on mining and transportation of coal in the state of Meghalaya wherefrom 100% requirement of CPM used to come. Coal cannot be sourced from other sources as there is no broad gauge linkage inside CPM premises.

(c): Yes.

(d) & (e): The Government of India after realizing the problems faced by CPM has taken a slew of measures which includes grant for meeting its operational costs on account of transportation exclusively to mitigate the logistic disadvantages of CPM. Department of Heavy Industry has also provided working capital support for Cachar Paper Mill. Moreover, Government has provided assistance for conversion of Meter Gauge (MG) to Broad Gauge (BG) from Panchgram Station to inside Cachar Paper Mill (CPM) premises.

(f): Does not arise.

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